



Early Journal Content on JSTOR, Free to Anyone in the World

This article is one of nearly 500,000 scholarly works digitized and made freely available to everyone in the world by JSTOR.

Known as the Early Journal Content, this set of works include research articles, news, letters, and other writings published in more than 200 of the oldest leading academic journals. The works date from the mid-seventeenth to the early twentieth centuries.

We encourage people to read and share the Early Journal Content openly and to tell others that this resource exists. People may post this content online or redistribute in any way for non-commercial purposes.

Read more about Early Journal Content at <http://about.jstor.org/participate-jstor/individuals/early-journal-content>.

JSTOR is a digital library of academic journals, books, and primary source objects. JSTOR helps people discover, use, and build upon a wide range of content through a powerful research and teaching platform, and preserves this content for future generations. JSTOR is part of ITHAKA, a not-for-profit organization that also includes Ithaka S+R and Portico. For more information about JSTOR, please contact support@jstor.org.

DOCUMENTS, REPORTS AND LEGISLATION

Industries and Commerce

The Bureau of the Census has issued a preliminary bulletin on *Irrigation: Idaho* (pp. 11), containing statistics as to the acreage irrigated, cost of operation and value of irrigated crops. The different types of enterprises are classified under several headings, as Reclamation Service, Carey Act, Coöperation, etc.

The two Bulletins, Nos. 90 and 91, of the Bureau of Statistics of the Department of Agriculture on *Imports and Exports of Farm and Forest Products, 1908-1910* (Washington, 1911, pp. 80, 96), present a comprehensive analysis of the foreign trade of the United States in agricultural products.

The *Report of the Chief of the Bureau of Statistics for 1911* of the Department of Agriculture (Washington, 1911, pp. 20) calls attention to certain new features recently introduced in the monthly publication, the "Crop Reporter." Reports on the cost of producing corn, wheat and oats appeared in the April, May and June issues of 1911. A report upon the average wages paid to farm labor will be made annually. The *Report* also contains tables showing comparative prices of articles purchased by farmers in 1899, 1909 and 1910; "quantities purchasable by value of one acre," and "purchasing power of produce of one acre in 1910 as compared with 1909 and 1899."

An interesting series of maps showing the shifting of centers of wool production in the United States between 1840 and 1900 may be found in a study entitled *The Place of Economics in Agricultural Education and Research*, by Professor Henry C. Taylor (Madison, Wisconsin University Agricultural Experiment Station, Research Bulletin No. 16, June, 1911, pp. 93-130). The paper contains many suggestions as to method in the study of agricultural economics. A striking series of charts shows the distribution of man labor during the successive days of the planting, cultivating and harvesting seasons for a variety of crops.

Systems of Farming in Central New Jersey, by G. A. Billings and J. C. Beavers (Washington, Department of Agriculture, Farmers' Bulletin 472, 1911, pp. 40) contains financial data relating to a high priced tenant farm in New Jersey over a long series of years. The terms of contract between the owner and tenant, records of inventory,

and income and expense accounts are given. The valuation of the farm is \$35,000. For ten years the average net profit to the landlord has been \$2524, or an interest of $7\frac{1}{4}$ per cent per annum. The tenant has been able to save \$500 annually after paying all expenses incident to bringing up a family.

In Bulletin 138, Bureau of Animal Industry of the Department of Agriculture, Dr. Geo. M. Whitaker makes a report upon the *Milk Supply of Chicago and Washington* (Washington, 1911, pp. 40). This report provides a useful continuation of similar investigations for Boston, Philadelphia and New York, reported upon in 1905 in Bulletin 81. The milk supply of Chicago, unlike that of Boston and New York, is produced near by. Tables and charts show wholesale prices over a series of years.

A third study for Minnesota, dealing with costs in agriculture, is presented by the Department of Agriculture in Bulletin 88, *The Cost of Producing Minnesota Dairy Products, 1904-1909* (Washington, 1911, pp. 84), prepared by Thomas P. Cooper. Since 1902-3 three communities of farmers in Minnesota have been under observation in order to secure accurate data in regard to farm finance. Bulletins 48 and 73, published in 1906 and 1909 respectively, relate to the same general investigation. From eight to ten farms were selected in each community, and in coöperation with each group a special agent was stationed to supervise the collection of the data. It was the duty of this agent to visit each farm daily, obtain a complete report as to the number of hours of man and horse labor spent on every operation, and the amount of sales and expenditures. A part of three days out of every month was spent by the agent on each farm, during which period grain and other food was weighed, and the milk of each dairy was tested and weighed. From such records the annual cost of maintenance of a cow, allowing for depreciation and interest, is given by years for the three communities:

Northfield 1905, \$54.42; 1909, \$62.82

Marshall 1906, \$40.46; 1909, \$47.86

Halstead 1904, \$42.21; 1909, \$58.91

In each community the increase in cost was due particularly to labor and food. The cost of producing milk and butter fat is also calculated. In 1909 the average income per cow was less than the cost of maintenance at all three of the stations.

In Marketing Grain and Live Stock in the Pacific Coast Region, by

Frank Andrews, the Department of Agriculture presents a large amount of data in regard to changes in costs and methods of marketing during the past forty years (Washington, 1911, pp. 94). Figures are given showing prices received by farmers and prices in the central markets.

Bulletin No. 122, of the Agricultural Experiment Station of the University of Nebraska, treats of *Cost of Growing Crops in Nebraska*, by C. N. Pugsley (Lincoln, 1911, pp. 12). In the accounting, interest and taxes are included, but not the cost of marketing. The returns of 158 farms in 1910 show for corn an average cost of 31.4 cents per bushel, and for wheat (based on 150 returns) 57 cents per bushel.

The Bureau of Manufactures has issued a pamphlet, *Special Agent Series, No. 47*, on *The English Cotton-Goods Trade*, by J. M. Hanse, (Washington, 1911, pp. 11). Among the points discussed are the system of renting room and power whereby but little working capital is required, particularly in the weaving branch of the industry. In this same series, No. 46, Ralph M. Odell treats of *Cotton Goods in Spain and Portugal* (pp. 64).

In the September number of the REVIEW (p. 632) reference was made to a summary of the *Report of the Commissioner of Corporations on the Steel Industry*. Part 1 of the complete report may now be had (Washington, pp. xxiv, 422).

In *Land, Fisheries and Game, and Minerals* the Commission of Conservation of Canada collects a series of monographic studies, several of which have a direct economic bearing. Of special interest are the maps and diagrams in the part devoted to minerals. A chart shows the production of gold from 1857 to 1910 in the different countries of the world.

"American Industries" in its issue for December, 1911 publishes a map of the present trade conditions of the world, showing the possibilities of export trade. This chart has been prepared by the foreign department of the National Association of Manufacturers from special reports recently received.

In Bulletin 192, issued by the Ontario Department of Agriculture, Mr. S. E. Todd gives a study on *Agricultural Coöperation* (Toronto, 1911, pp. 51), including a brief history of methods in Europe, United States and Canada.

The Canadian Year Book 1910 (Ottawa, Census and Statistics

Office, 1911, pp. 463) continues the tables presented in previous issues, adding, however, more complete details of items of exports and imports. There are also new tables of electric light companies.

Corporations

REPORT OF THE RAILROAD SECURITIES COMMISSION. In its recent report to the President, the Railroad Securities Commission (Washington, 1911, pp. 44) has accomplished an admirable piece of work. The document is concise, even crisp in statement; cogent in reasoning (with the exceptions noted below); wise in general conclusions; and conciliatory in spirit. It should materially assist in the promotion of those good relations between the government and the railroads, now happily in a fair way to become established. No one can question the wisdom of the emphasis laid upon full publicity as the foremost need of the time. Whether it is enough by itself to prevent a recurrence of past abuses may indeed be doubted. The publicity features of the acts of 1906 and 1910 are certainly bound to be far reaching in their effects upon operation. They should with equal certainty, as is here proposed, be extended to cover both promotion and subsequent financing.

Not less important and wise than the insistence upon financial publicity is the recommendation that, until the Supreme Court has clearly defined the relations between federal and state authority, the federal government shall refrain from attempting to regulate the issue of securities. Too many difficult legal complications remain to be cleared up.

One might perhaps have wished for a somewhat more enthusiastic commendation of the efforts of states like Massachusetts and New York to cope with their local problems of financial control. The apparent absence of a due appreciation of the importance of the work of the various public service commissions all over the country may perhaps be accounted for on the ground that it lies outside the scope of the work of a purely federal commission. Yet a word of encouragement to these state administrations would have done something to offset the rather negative character of its conclusions. Someone must exercise financial control. If inadvisable for the federal government to undertake it at this time, as may well be, then it is important to emphasize the fact that the states must do it as best they can. On the other hand, the recommendations concerning physical valuation as an element in rate regulation are sufficiently progressive to impart

an aspect of judicial balance and general fairness which inspires confidence.

Two specific conclusions of the commission, however, seem still open to debate. One is the contention that little relation obtains between capitalization and rates. The statement is, of course, largely true; but like most generalizations of the sort fails to state the whole truth. It is probably absolutely true as to *particular* rates. No one would claim for a moment that the heavily capitalized Wabash, operating in Trunk Line territory alongside the Pennsylvania system, could charge any higher rates because of its financial disabilities. Rather the reverse. But while true of particular rates, capitalization does exert an *indirect* but nevertheless a very appreciable influence upon the *general* level of rates. For this point, I have argued elsewhere at some length.¹ Is it surprising that the pressure for advanced rates in 1910-1911 in Trunk Line territory should come from the heavily capitalized New York Central with substantial aid and comfort from the Erie? Was it a mere coincidence that the Lackawanna road, with its securities quoted above 500 was a less prominent factor in the agitation than some of its neighbors? True enough, no direct relation between rates and capitalization exists; but that a positive incentive to higher charges in general may be found in the need of supporting a large capitalization seems reasonably clear in the light of experience. It seems to me that this has been unduly minimized in the report.

A most debatable and, as I hold it, dangerous proposition in this report is the proposed abolition of the "dollar mark" upon capital stock. However desirable it may be for mining companies and the lesser industries, as in Germany, to do away with any stated par value for share capital in order to disabuse the public mind of its purely artificial character, the proposition is quite different when applied to an industry like a railroad. There is all the difference in fact between purely private and competitive conditions of a more or less speculative character, and those under which monopoly privileges are conferred by gift of the public. Space does not permit a criticism of this proposition in detail. I have elsewhere discussed it more at length.² Many objections occur at once, none of them mentioned in this report which, almost jauntily, as it seems, proposes to revolutionize all of our customary habits of financial thought. Among these objections there

¹ *Political Science Quarterly*, XXII (1907), p. 600.

² *Railway-Age Gazette*, November 24, 1911, p. 1064.

is the fact that abolition of par value removes the restraint upon the promoter or management for liability to creditors in case of part paid shares. The experience of the Asphalt Company of America is illuminating in this regard. May we trust mere publicity to provide corresponding safeguards for honest promotion with this liability removed? Then again, how about the issue of stock in exchange for property acquired, as has frequently occurred in the course of recent railway consolidation? Is it immaterial whether the absorbing company has put out 500,000 "participating shares," with a market value of \$100 each, or twice that number of "certificates of participation" commanding half that figure per unit in exchange for the property acquired? And still further, there is the inevitable effect upon speculation. One of the primary needs today is to separate our common carriers from Wall Street influence. Does it make no difference whether the Southern Railway "participating shares" are traded in around 25; or those of the Louisville and Nashville command a price of 150? Low quotations offer a great stimulus to speculative manipulation—as any student of Rock Island affairs must concede. To do away with par, which means permission to emit, without reproach at any figure "below par"—how hard it is, indeed, to get rid of that conception of some standard of normality—cannot but exert a malign influence. And then, finally, there is over and above all other considerations the need of some general standard of comparison for all sorts of purposes—some base from which to judge of normality. To wipe out all such standards, with the mere warning to public and investors alike to beware, seems like a step backward.

This brings us to the insistence of the commission upon the present need of the railroads for more capital for development; and the difficulty of financing new enterprises under regulative provisions of law, such as the prohibition of the issue of shares at a discount. Massachusetts has recently passed through an experience of probably excessive regulation. But simple modifications of its anti-stock-watering laws seem to have solved the difficulty. Of course the developmental problems of the West and South are quite different from those of New England. Yet there is the experience of Texas to fall back upon. Complaint is made, of course, especially by the Gould roads, of the insufficiency of capital for new work. But the growth of mileage seems, nevertheless, to compare not unfavorably with progress in other states. Are the Gould roads, for example, any better off in other states where greater liberality of laws prevail? The

fact is that much new construction and improvement remains to be done all over the country, as this report duly emphasizes; but much of it is to be done by companies already in the field. Not many new steam railroad companies are now needed even in the West. Let them learn the lesson, so often forgotten, that honest management and conservative financing, to the end that solid credit be first established, has far more to do with facilitating development than non-interference by law. This is probably a time when encouragement to the railroads in a period of stress should properly be given. But let us not forget that good faith to the public and to stockholders, together with prudent financing, must be the primary source of credit.

Many admirable features of this report deserve mention, did space permit. The clear exposition of the distinction between stocks and bonds, and especially the discussion of intercorporate financing, occupy a prominent place. The document is likely to play a large part in the determination of governmental policy in future. It well merits the most careful perusal by legislators, financiers and economists.

WILLIAM Z. RIPLEY.

The *Annual Report of the Attorney General of the United States for 1911* (Washington, Department of Justice, pp. 408) summarizes recent judicial procedure under the anti-trust act, with a memorandum of the prosecutions undertaken during the year, including the Standard Oil, Tobacco, and Powder Trust cases. There is also an extended statement in regard to the cases brought under the Interstate Commerce, Hepburn and Elkins Acts.

There has also been received from the Department of Justice the *Petition before the Circuit Court for the District of New Jersey in U. S. vs. U. S. Steel Corporation and Others* (pp. 93), in which the basic conditions leading up to the organization of the steel corporation and subsequent changes in the extension of its activity are narrated. Among the "Exhibits" are two pool agreements entered into in 1897 and 1900. Lists are given showing the interlocking of directorates.

Relating to the Tobacco case are the *Decision of the Supreme Court May 29, 1911* (pp. 32); *Dissenting Opinion of Mr. Justice Harlan* (pp. 4); the *Oral Argument of Attorney General Wickersham in Hearing of Application for Approval of Plan of Disintegration before the Circuit for the Southern District of New York* (pp. 16); the *Decree on the Mandate from the Supreme Court* (pp. 5); the *Memorandum for the Attorney General on the Investigation of the Dis-*

integration Plan, prepared by Dr. A. C. Muhse, of the Bureau of Corporations (pp. 12); the *Cross Petition of Henry A. Wise* (pp. 8); and the *Opinion and Decree of the Circuit Court for the Southern District of New York November 16, 1911* (pp. 69).

The Twenty-Fifth Annual Report of the Interstate Commerce Commission, December 20, 1911 (Washington, pp. 97) devotes considerable space to the trans-continental railway cases passed upon by the newly established Commerce Court (pp. 27-41).

The work of the Public Service Commission for the First District of New York during the first four years of its establishment, 1907-1911, is summarized in a pamphlet, *State Regulation of Public Service Corporations in the City of New York*, prepared by the Assistant Secretary, James Blaine Walker, 154 Nassau Street, New York (September 1, 1911, pp. 59).

The Fourth Annual Report of the Public Service Commission, Second District, New York (Albany, 1911, pp. 433) contains a series of graphic charts illustrating the statistics of some of the larger railways of the state (pp. 152-172).

The Public Service Commission of New York for the Second District has issued a special report on *Transit Conditions in Syracuse and Vicinity* (Albany, 1911, pp. 50).

The *Opinion and Order* of the Public Service Commission for the First District of New York in the case of *Mayhew vs. Kings County Light Company* (No. 1273) rendered October 20, 1911 (New York, pp. 49), represents an example of an exhaustive investigation of cost, physical valuation, working capital, "going" value, etc. of a public service corporation.

The Annual Report of the Interborough Rapid Transit Company for the year ended June 30, 1911 (New York, pp. 36) contains brief statements in regard to recent suits involving taxation, the operation of a voluntary relief department and negotiation with the city for the extension of subways.

The "Wall Street Journal" for January 8, 1912, contains a list of the principal stock and bond issues brought out and sold by railroads, industrial companies and public service corporations during 1911. The aggregate amounted to \$1,946,000,000 as compared with \$1,195,000,000 in 1910 and \$1,400,000,000 in 1909.

The Bureau of Railway News and Statistics has issued *Postal Express vs. Parcels Post* (Chicago, 1911, pp. 18), reviewing the bill introduced by Representative D. J. Lewis, which provides that the government shall take over the express business. Special consideration is given to an analysis of the statistics involved in the discussion of the question.

In response to the request of the Post Office Department the C. B. & Q. Railroad has prepared a statement on *The Mail Pay on the Burlington Railroad* (pp. 46), in which detailed information is given in regard to car space and facilities furnished for mails, express and passenger service.

In *Comparative Railway Statistics of the United States, the United Kingdom, France and Germany*, the Bureau of Railway Economics presents comparisons showing the supply and utilization of railway facilities in the countries named (Washington, Bulletin No. 24, 1911, pp. 47). For the United States the railways of New York, Pennsylvania, New Jersey, Delaware and Maryland are used as a basis of comparison, while for Germany the railways of Prussia-Hesse are taken. Comparisons relate more particularly to the years 1900 and 1909. Tables are given showing railway mileage in proportion to population and area of territory, motive power and equipment, train miles, ton miles, capitalization, revenues, and operating expenses.

Constructive Railway Policies in Many States in 1911, issued as Bulletin No. 9 by the Railway Business Association (New York, October 28, 1911, pp. 32) presents a summary of railway legislation during 1911. It is noted that 41 state legislatures in 1909 enacted 664 laws affecting railroads, while in 1911 40 legislatures passed 276 laws. It is concluded that recent legislation is on the whole more friendly to railroads.

A large amount of statistical data in regard to ticket transfers in street railway service in St. Louis is to be found in the report of the St. Louis Public Service Commission to the House of Delegates on the *Transfer System of the United Railways Company* (St. Louis, October 23, 1911, pp. 14, maps, charts).

The sub-committee of the committee on franchises of the National Municipal League has recently published *Suggestions for a Model Railway Franchise*, which was presented at the Richmond Conference, November 16, 1911 (James W. S. Peters, Kansas City, pp.

13). The entire railway in a given community should be operated as a unit; extension should be made even if a particular extension does not show an immediate source of profit; the city should reserve the right to build extensions to be operated by the grantee upon fair terms; franchises should be indeterminate; a purchase-price clause should be included, involving a valuation of the physical property; a purchase fund should be accumulated out of the revenue received by the city from the company, whereby the company's bonds are purchased from time to time and ultimately offset the company's entire equity in the property; provision should be made for regulating the service. Mr. Delos F. Wilcox of New York joins with Mr. Peters in making the report.

Labor

WASHINGTON WORKMEN'S COMPENSATION ACT CONSTITUTIONAL. On September 27, 1911, the workmen's compensation act of the state of Washington was upheld by the supreme court of that state. The law was enacted March 14, 1911 to go into effect on October 1 of the same year. The constitutional points of the law were, therefore, decided before its provisions had been put into effect. The state auditor believed the law unconstitutional and therefore refused to issue an order upon the state treasurer for the expenditure of funds that had been provided for establishing the proposed compensation system. Mandamus proceedings followed; the law passed immediately to the courts, and received the speedy determination stated above.

The law is the most drastic of its kind enacted in the United States. It provides that workmen injured in extra hazardous labor shall receive fixed and certain compensation "regardless of questions of fault and to the exclusion of every other remedy, proceeding or compensation," except as otherwise provided in the act. If injury results in death, compensation goes to the workman's family or dependents. The so-called extra hazardous employments, according to the language of the act, include factories, mills and workshops where machinery is used; printing, electrotyping, photograving and stereotyping plants where machinery is used; foundries, blast furnaces, mines, wells, gas works, water works, reduction works, breweries, elevators, wharves, docks, dredges, smelters, powder works; laundries operated by power; quarries; engineering works; logging, lumbering, and shipbuilding operations; logging, street and interurban railroads; buildings being constructed, repaired, moved or demolished; telegraph, telephone,

electric light or power plants or lines, steam-heating or power plants, steamboats, tugs, ferries and railroads. Also every other industry shall be included, although not enumerated in this list, if it should prove in experience to be extra hazardous. Employers in such industries are compelled to make contributions to an insurance fund in proportion to the accident hazard of their respective business, but other employers may elect to come under the law. The fund is administered by the state and is used for paying such claims as properly arise under the act.

While the Washington statute is more drastic than that of New York, which was declared invalid by the Court of Appeals on March 24, 1911, the two involve the same constitutional points. However, the Washington court, passing upon these points, held diametrically opposite views from those of the New York court. The latter maintained that when an employer has exercised reasonable care and when he has obeyed the direct laws requiring safety devices, sanitary arrangement, etc., he has fulfilled all the duties that can be imposed upon him. To go beyond this with legislation would be to create liability without fault, which cannot be done under our constitutions—not even under the police power, i. e., the power of the state to regulate industry in behalf of the public welfare. Opposed to this view, the Washington court holds that, if circumstances warrant, liability without fault may be created; it cites numerous cases in which this has been done, and has been supported by the courts. The test of a state's power to regulate industry (to quote from the opinion of the court) "is found in the effect the pursuit of the calling has upon the public weal rather than in the inherent nature of the calling itself." As to the act in question, the court holds that if it has a "reasonable relation to the protection of the public health, morals, safety or welfare, it is not to be set aside because it may incidentally deprive some person of his property without fault or take the property of one person to pay the obligations of another. To be fatally defective in these respects, the regulation must be utterly unreasonable and so extravagant in nature and purpose as to capriciously interfere with and destroy private rights." The court believes that it is not unreasonable to hold employers responsible for remote and the more serious consequences following the use of their property, and therefore allowed the law to stand.

Since compensation laws are as much a matter of the federal as of the state constitutions, the Washington decision should be prompt-

ly passed for review to the Supreme Court of the United States. In view of the present liberal personnel of that court, and further, in view of its recent decision in the *Noble State Bank vs. Haskell* (219 U. S. 104), the Washington decision would probably be upheld. If so, while it would not be binding upon the individual state jurisdictions, nevertheless it would set a high standard of opinion which would probably be followed by the state courts. Then the legislatures would be quite free to pass any desirable compensation act without constantly confronting the constitutional bug-a-boo.

JOHN BAUER.

Cornell University.

In *Accident Bulletin No. 40*, issued by the Interstate Commerce Commission, accident statistics as required by the law of May 6, 1910 are for the first time published for a complete year; consequently the totals are not comparable with those of previous annual bulletins. The Bureau of Railway Economics also presents an *Analysis of the Accident Statistics of the Interstate Commerce Commission for the Year Ending June 30, 1911* (Washington, Bulletin No. 23, 1911, pp. 5).

Hearings Before the Employers' Liability and Workmen's Compensation Commission, Part 2 (Washington, 1911, pp. 545-771) contains the verbatim report of hearings held at Chicago, October 16-17, 1911. *Part 3* (pp. 767-1114) covers the hearings in Washington, November 6-10.

The Bureau of Statistics of Massachusetts in *Labor Bulletin No. 84* (Boston, October, 1911, pp. 128) prints a summary of *Labor Legislation in Massachusetts during 1911*, with text of the laws enacted in 1910. This pamphlet also contains an index of changes in labor legislation made since 1902; an index of bills affecting labor which were introduced in the session of 1911; and certain opinions of justices of the supreme court.

The Labor Legislation Enacted by the State of Illinois, 1911 has been compiled in a separate reprint (Springfield, Bureau of Labor Statistics, 1911, pp. 142). It is noted that substantially every legislative measure supported by organized labor was passed by the recent legislature. The most important laws were the compensation act, the act relating to occupational diseases, and revision of the laws relating to mining. The volume also contains the report of the Employers' Liability Commission submitted September 15, 1911 (pp. 15-42).

A pamphlet entitled *The Compiled Labor Laws of Colorado* (Denver, Deputy Labor Commissioner, 1911, pp. 97) includes all enactments relating to labor, to May, 1911.

In a reprint from the *Forty-first Annual Report* entitled *Living Conditions of the Wage-earning Population in Certain Cities of Massachusetts* the Bureau of Statistics of that state furnishes a convenient abstract of parts of the recent report made by the Labour Department of the British Board of Trade (Boston, 1911, pp. 189-333). The data reported by the Board of Trade for the year 1909 have been brought up to date.

The Department of Labor and Industry of Maine has issued in pamphlet form *Labor Laws of Maine* (Augusta, 1911, pp. 72).

The brief of the Industrial Commission of Wisconsin submitted to the supreme court of Wisconsin in support of the constitutionality of the workmen's compensation act has been printed in pamphlet form (Madison, 1911, pp. 85). This contains not only legal arguments but also a resumé of recent inquiry into legislation.

The *Second Special Report of the Bureau of Labor Statistics of California* is a compilation of the labor laws of that state. This constitutes a revised edition, including the legislation of 1911. (San Francisco, pp. 120).

The *Addresses Made at the Fifth Annual Meeting of the Liability Insurance Association on State Insurance and Workmen's Compensation for Accidents* held in New York, October 19, 1911, have been printed and may be obtained from the secretary, Walter E. Hoag, General Accident, Fire and Life Assurance Corporation, Philadelphia.

The Union Switch and Signal Company has printed its regulations showing the plan for sale of stock to employees recently adopted (Swissdale, Pennsylvania).

Bulletin No. 6 of the Milwaukee Bureau of Economics and Efficiency gives an account of the founding and operation of the *Citizen's Free Employment Bureau* (Milwaukee, September 1, 1911, pp. 15).

As a result of a report made some two years ago by Dr. Edward T. Devine, to the Russell Sage Foundation, on the subject of unemployment, a National Employment Exchange was incorporated in New York in April, 1909, and a fund of \$100,000 for its administration was privately subscribed. During 1909 and 1910 three offices were

opened in New York City. Fees were charged, but during the first year there was an operating loss of \$16,700. In the *Second Annual Report* (30 Church Street, New York, 1911, pp. 36), the work of the exchange, its difficulties, as well as its progress, is frankly discussed. The operating cost during the second year was \$13,620 over income. There are interesting tables showing the occupations of applicants by nationalities.

Labor Bulletin No. 86, of the Bureau of Statistics of Massachusetts represents the *Fourth Annual Report on Changes in Rates of Wages and Hours of Labor, 1910*, with comparative statistics for 1907-1909 (Boston, December 1, 1911, pp. 112). It includes an interesting memorandum in regard to the Fall River sliding scale system.

Money, Prices, Credit and Banking

The *Message* of President Taft, December 21, 1911 (pp. 24), contains recommendations in regard to monetary reform, postal savings banks and parcels post.

The *Report of the National Monetary Commission* (Washington, 1912, pp. 22) containing the draft of a proposed bill, may be had upon application to the secretary of the commission, Arthur B. Shelton.

The Marshall and Ilsley Bank, Milwaukee, Wisconsin, has published *Proposed Plan of National Monetary Commission* (1911, pp. 26) giving the full text of the original and the new proposed plan. Of special value are the explanatory comments, by Professor W. A. Scott, appended to each section.

In *Text of the Annual Report of the Comptroller of the Currency, 1911* (Washington, 1911, pp. 89) reference is made to a special inquiry in regard to the savings departments of national banks (p. 32). Under date of October 9, 1911, a circular letter was sent to 7,301 national banks; replies were received from 6,813. Savings deposits are received by 3,502 banks, or 51 per cent. Of these, 2,289 operate the savings department as a separate division; 5,543 banks, or 81 per cent, favor an amendment in the national banking act, allowing the investment of a certain percentage of deposits in loans on real estate.

The *Annual Report of the Bank Commissioner of Vermont, June 30, 1911* (Newport, 1911, pp. 172) shows that five eighths of the resources of savings banks and trust companies are in mortgage loans, and that

the loans on real estate outside of the state are double those within the state.

The *Banking Laws of Illinois* have been compiled by W. H. Kniffin, Jr. and published in a convenient handbook by the Drovers Deposit National Bank of Chicago (1911, pp. 54).

The 1911 edition of *Trust Companies of the United States* (U. S. Mortgage Trust Company, New York, 1911, pp. 409) continues the useful tables and statistics of previous issues. In addition to returns for each trust company there is a digest of state regulations.

In *Proceedings of the Seventeenth Annual Convention of the California Bankers' Association, June 15-17, 1911* (Frederich H. Coburn, secretary, Savings Union Bank Building, San Francisco, 1911, pp. 182, 56) are three addresses on the Aldrich plan, by Stoddard Jess, of Los Angeles (pp. 70-84), John Perrin, of Indianapolis (pp. 84-103), and James McLaughlin (pp. 104-109). The volume also contains a paper on "Depositing State Funds in Banks." The appendix has a reprint of the bank act of California, with an index of the act.

Three addresses by A. Piatt Andrew on *The Purpose and Origin of the Proposed Banking Legislation* have been privately printed (Boston, 1911, pp. 50). The titles of the addresses are "What America Can Learn from European Banking"; "The Essentially American Sources of the Proposed Banking Legislation"; "The Relations of the National Reserve Association to the Treasury."

The National Citizens' League (223 W. Jackson Boulevard, Chicago), the organization of which was mentioned in the December number of the REVIEW (page 904), has issued several pamphlets in addition to those previously noted. Among these are *Origin of the League*, which gives a list of national and state officers in the several branches of the League; *Banking Control* (pp. 14), by Professor Laughlin, who discusses the plan of the National Reserve Association; *National Reserve Association and the Movement of Cotton in the South* (pp. 19), also by Professor Laughlin, in which consideration is given to the possible effects of the new proposed plan upon Southern business, with practical illustrations showing its possible influence on discount rates, enlarged credit and mobilization of reserves; *Banking and Currency Reform*, by Secretary MacVeagh; and *Banking Reform as Seen by Commercial Interests*, by A. C. Bartlett.

The National Citizens' League has also begun the publication of a

semi-monthly periodical, "Bank Reform," the first issue of which appeared January 17, 1912. Announcement is made of the early publication of a textbook on *Banking Reform*, written by "experts on finance" under the supervision of Professor Laughlin. This, however, will not be for sale, but distributed to members of the league.

The National Monetary Commission has issued a brief study, *Bank Loans and Stock Exchange Speculation*, by Professor J. H. Hollander (61 Cong., 2 Sess., Sen. Doc., No. 589, 1911, pp. 27). The banking system needs reform whereby temporary idle banking capital may be advantageously used in commercial paper, as guaranteed bills of short maturity. If such reform were made "there would surely follow through the diversion of periodically accumulating banking funds into this more healthful channel a marked arrest of the wild course of American speculation."

Other volumes issued by the National Monetary Commission are *History of the Bank of England and its Financial Service to the State* (second edition), by Professor Eugene von Philippovich; translated by Christabel Meredith, with an introduction by Professor Foxwell (61 Cong., 2 Sess., Sen. Doc., No. 591, 1911, pp. 297); and the *German Great Banks and their Concentration with the Economic Development of Germany* (third edition), by Dr. J. Reisser; translated by Morris Jacobson (61 Cong., 2 Sess., Sen. Doc., No. 593, pp. xvi, 1042).

It is announced that the paper-covered documents issued by the National Monetary Commission (now numbering over 40) are to be published in 24 cloth-bound volumes. They will be sold in sets at \$45.

Further explanation of changes made in the index number of "The Economist" may be found in the issue of November 18, 1911 (page 1034). This contains the history of the index number published in the issue of August 26. The number of articles has been raised from 22 to 44; 2 quotations are now given for coal and 3 for iron products. Quotations are also added for barley, oats, potatoes, rice and bacon, Egyptian cotton, jute, petroleum, oil seeds, rubber, and soda crystals. It is noted that the results obtained by the new method do not greatly differ from the old. The basis of comparison has also been altered, the base now being for the years 1900-1904.

The French Ministry of Labor has recently issued a report on *Salaires et coût de l'existence à diverses époques jusqu'en 1910* (Paris, 1911). This contains statistics of wages obtained from Con-

seils de Prud'hommes and records of public contracts. Index numbers, showing the course of daily wages between 1896 and 1911 are constructed. The report also contains returns on rents, prices, and cost of living. The data in regard to rents in Paris cover a period of 67 years. The variation in the cost of living in Paris between 1890 and 1910 is calculated as follows:

1890.....	103	1907.....	100
1900.....	100	1908.....	102
1906.....	99	1910.....	104

Public Finance

CONSTITUTIONALITY OF WISCONSIN INCOME TAX AFFIRMED. The constitutionality of the Wisconsin income tax, which was briefly described in the last number of the REVIEW (p. 906), has recently been affirmed by the supreme court of Wisconsin in the cases of *State of Wisconsin ex rel. Harry W. Bolens v. James A. Frear, Secretary of State et al.*, and *Arthur Winding et al. v. James A. Frear et al.*

Considerably more than half of the opinion upon these cases is occupied by a discussion of the original jurisdiction of the supreme court of Wisconsin, a subject which need not be reviewed here. With respect to the essential constitutional questions raised by the income tax itself, the court decided only those major contentions "which might from some point of view be considered as going to the validity of the whole act." In the following statement of the affirmative action of the court it should be remembered that the law rests upon a constitutional enactment which provides that: "The rule of taxation shall be uniform and taxes shall be levied upon such property as the legislature shall prescribe. Taxes may also be imposed on incomes, privileges and occupations, which taxes may be graduated and progressive, and reasonable exemptions may be provided."

(1) Probably the most fundamental criticism of the law was based upon the contention that its progressive features were unreasonably discriminative and that it led to double taxation; both of which—it was asserted—denied to citizens "the equal protection of the laws" and hence violated the fourteenth amendment to the federal constitution. These arguments the court held to be unsound, not "even to be very persuasive." Double taxation, at least that kind of double taxation which arises from the contemporaneous operation of income and property taxes, is specifically authorized by the Wisconsin constitution and, as appears from the decision in *M. C. R. R. Co. vs. Powers*, 201 U. S. 245, is not repugnant to the federal constitution.

"With regard to the progressive feature, it is aptly said under *Knowlton vs. Moore*, 178 U. S. 41, on page 109, by the present chief justice, that: 'taxes imposed with reference to the ability of the person upon whom the burden is placed to bear the same have been levied from the foundation of the government. So also, some authoritative thinkers and a number of economic writers contend that a progressive tax is more just and equal than a proportional one. In the absence of constitutional limitation, the question, whether it is or is not, is legislative, not judicial.' "

(2) Assessors of incomes under the Wisconsin law are appointed by and remain under the complete control of the state tax commission. One of the contentions upon which the opponents of the tax laid great stress was the claim that "the law violates the constitutional guarantees of local self-government, by placing the power of appointment of the various assessors of incomes in the state tax commission." The court's answer to this claim apparently furnishes conclusive evidence that the Wisconsin courts will not unnecessarily stand in the way of reasonable measures looking to the correction of the excessive decentralization of our taxing machinery.

(3) The court next, considering a number of questions raised by the exemption features of the income tax law, held that (a) the personal exemptions were not only essentially reasonable, but that (b) the denial of such exemptions to copartnerships, (c) the exemption of life insurance up to ten thousand dollars in favor of one legally dependent upon the deceased, (d) the assessment to the husband of the incomes of wife and children under eighteen years of age (when not living separately) and (e) the inclusion within taxable income of the estimated rental of residence property occupied by the owner, were all well within the legislative discretion. The particularly novel feature of the Wisconsin law, which allows a taxpayer to credit any personal tax which he may have paid against his income tax for that year, was also specifically sanctioned. "Why," the critics asked, "may taxes upon personalty be used to offset income tax when taxes upon real estate are denied the same privilege?"

"There is said to be no just ground for this distinction, but it seems quite clear to us that there is; in fact it seems to be rather a means of equalizing the burden of the new form of taxation than to be really an exemption. It was evidently done with the idea of accomplishing, without too violent a shock to taxing machinery, the substantial elimination of personal property taxation and the substitution thereof of "ability" taxation. The practical result is that both the taxpayer who has taxable personal property and the taxpayer who has none, pay taxes according to their ability as evidenced by their income."

(4) The Wisconsin law, it will be remembered, provides a separate tariff of rates for corporations, in which the rate of taxation is based upon the relation of the net income of the corporation to the assessed value of the property from which such income is derived. This discriminative treatment was upheld by the court on the familiar grounds that the "privileges which are exclusively held by corporations, and the real difference between the situation of a corporation and an individual, among which may be mentioned the fact that a corporation never is obliged to pay an inheritance tax, plainly justify a difference of treatment in the levying of the income tax."

T. S. ADAMS.

University of Wisconsin.

Under date of January 17, 1912, President Taft sent a message to Congress on *Economy and Efficiency in the Government Service* (pp. 28). With the message is submitted a report of the Commission on Economy and Efficiency, showing the organization of the government as it existed July 1, 1911. The President summarizes the work already performed by the commission, and asks for an additional appropriation of \$200,000, in order that its inquiry may be effectively completed. Illustrations are cited showing waste and unnecessary cost, and although many of the individual losses thus accruing are small, in the aggregate they amount to a considerable sum. Certain offices should be abolished and others classified. The cost of handling incoming mail varies in the different departments from \$5.84 to \$84.40 per thousand. There is need of labor-saving devices; copy work is carried on by expensive methods; there is waste in the distribution of public documents; unnecessary cost of insurance; and excessive cost of travel by government employees. Special emphasis is laid upon the need of reclassification of accounts in order that a more intelligible budget may be framed.

The *Report of the Attorney General of the United States for 1911* (pp. 54-59) contains a memorandum on the corporation tax cases, with a syllabus of the contention of the government.

In this same report an analysis is made to determine whether Congress acted wisely in establishing a separate office with complete charge of customs litigation from inception to termination. It appears that between 1904 to 1909 the percentage of such cases won by the United States was 44.8; while in 1911 it was 60.1. Little

progress has been made in bringing up to date cases before the Board of General Appraisers (pp. 70, 384).

The Annual Report of the Comptroller of the State of New York (Albany, 1912, pp. xliii, 198, 73) devotes considerable attention to the inheritance tax law, the tax for recording mortgages, and the new "secured debts" tax.

The Transfer Tax Law of New York, with amendments of 1911, has been reprinted by the Guaranty Trust Company of New York (pp. 45). The editor expresses the belief that the owners of property affected by the New York inheritance tax law are to be congratulated upon the passage of "so equitable a measure."

The Inheritance Tax Laws of California in Effect July 1, 1911, prepared by the controller of the state (Sacramento, 1911, pp. 25) prefaces the law with brief explanatory notes. Under the revision of 1911 exemptions in favor of heirs in direct line are more liberal. Of importance are changes in the appraisements of estates in order to secure the tax.

The Tax Commission of Kansas has issued a compilation of *Laws Relating to Assessment and Taxation in Kansas, August, 1911*. (Topeka, pp. 130). This includes the amendments of 1911.

The laws of Connecticut concerning local and state revenues enacted at the session of 1911 have been printed in separate pamphlets by the State Tax Commission (Hartford, pp. 16, 12).

The Secretary of the State of Michigan has recently reprinted *Laws Relating to Mortgage, Tax and Chattel Loans* (Lansing, 1911, pp. 14); and the Attorney General has also issued a pamphlet explaining the new mortgage tax law enacted in April, 1911. Under this act a recording tax may be substituted for an ad valorem tax on mortgages.

Mr. Allen R. Foote has issued in pamphlet form his address on *Taxation of Railroads in the United States*, delivered at the Fifth Annual Conference on State and Local Taxation September, 1911 (Columbus National Tax Association, pp. 51). Mr. Foote proposes a flat-rate tax on gross operating revenue, plus a differential on the margin of difference between operating revenue and operating expenses as a substitute for all other forms. A broadside contains a statistical compilation showing the estimated tax which would be levied according to his plan upon leading railroad systems.

The Bureau of Municipal Research of Philadelphia has prepared, under date of December 1, 1911, what may be regarded as a model of a guide for *Budget Estimates, 1912* (pp. 162). With this is to be noted the statement of the city comptroller (Philadelphia, August 1, 1911, pp. 29). This Bureau has also issued a leaflet, *Suggested Financial Program for Philadelphia* (December 9, 1911, pp. 8).

The Chamber of Commerce of Philadelphia in December, 1911, began the publication of a monthly "Journal." In the December issue is an article on the "City's New Accounting System."

There has recently been established in France, La Ligue des Libre-Echange (108 Boulevard St. -Germain, Paris) under the presidency of M. Yves Guyot. Information in regard to its objects may be obtained of M. Daniel Bellet, secretary.

The long expected report of the Tariff Board on schedule K was ushered in by a *Message* from President Taft, December 20, 1911 (pp. 8), and a *Synopsis of the Report* (62 Cong., 2 Sess., Sen. Doc., No. 210, pp. 19). The complete report has been issued in four volumes (pp. 1022, as House Doc., No. 342, 62 Cong., 2 Sess.) under the title *Wool and Manufactures of Wool*. Vol. I contains the "Message of the President, Summary and Glossary"; Vol. II, "Raw Wool, Production and Shrinkage"; Vol. III, "Manufacturing Costs; Tops, Yarns and Cloth; Ready-made Clothing"; Vol. IV, "Wages and Efficiency of Labor and Machinery in the United States."

Insurance

The Workmen's Compensation Service and Information Bureau (1 Liberty Street, New York) has published *The Practical Results of Workingmen's Insurance in Germany* (1911, pp. 62). This is a translation of Dr. Ferdinand Friedensburg's *Die Praxis der deutschen Arbeiter-Versicherung*, which first appeared in the "Zeitschrift für Politik" (IV, 2-3, 1911). The translation is made by Dr. Lewis H. Gray. The author, Dr. Friedensburg, who has just retired from the presidency of the Senate of the Imperial Insurance Office, dwells upon the abuses of German state insurance. According to his statements it is difficult to secure honest adjudication of claims; there has been an extraordinary amount of litigation, and the administration tends to create pauperism and increase the cost of production.

Among recent publications of interest to students of insurance are

Proceedings of the National Convention of Insurance Commissioners of the United States, August 22-25, 1911, (Secretary Harry E. Cunningham, Helena, Montana, 1911, 2 volumes, pp. 205; 549). The second volume contains the report of an investigation of certain companies doing an industrial health and accident business.

Charities

While a member of the State Board of Charities of New York, Professor Frank A. Fetter prepared a *Summary and Analysis of Statistics of Charities Reporting to the State Board of Charities* (Albany, 1911, pp. iv, 107). Attention is directed to the mass of statistical material collected by the Board, a large part of which has not yet been used, owing to lack of clerical force. Unfortunately since 1900 the power of the state board has been limited to collecting statistics only from societies and institutions which are in receipt of money raised by taxation; the consequence is that no tabulation can be complete. Other technical difficulties in handling the statistics, due to changes in clerical and administered control, are noted. The tables are worked out in great detail.

Bulletin No. 57 of the National Conference of Charities and Correction (Angola, Indiana) contains a five-year supplement to the *Cumulative Index*, published in 1906, indexing the volumes from 1907 to 1911 inclusive.

The British Royal Commission on the Poor Laws and Relief of Distress has added to its long list of reports a volume on *Statistics relating to England and Wales*. (Appendix, vol. xxv, Cd. 5077, pp. 902, 11s. 1d.) Besides the statistics of pauperism there is a discussion by Professor Smart on the growth of expenditures for relief, and reports on insurance against sickness and unemployment by Messrs. T. G. Ackland, George King and F. G. P. Neison.

Industrial Education

The United States Bureau of Education has published as a reprint a chapter of the report of the Commissioner of Education for 1910, entitled *Industrial Education in the United States*. In the appendix there is a list of schools which offer training for specific vocations.

The subject of industrial education has once more been comprehensively surveyed in the Canadian report, *Education for Industrial Purposes* (Toronto, Superintendent of Education for Ontario, 1910,

pp. 400). For this purpose the experience of Great Britain, France, Germany, Switzerland and the United States were studied by members of a special commission. Among the topics discussed is the "Attitude of Employers and Workmen."

The *Report of the Committee on Industrial Education of Maine* (Augusta, State Superintendent of Public Schools, 1910, pp. 72) contains an historical digest of the position of industrial education in European countries as well as in America. There is a synopsis of typical state laws and a discussion of the needs of the industries. Appended is a bibliography of 2 pages, and a chart showing the difference in wages earned by boys having shop training only and those having technical high school training, prepared by George E. Fellows.

In this connection may also be mentioned the *Report of the Imperial Education Conference, 1911*, containing papers on trade and continuation schools (Cd. 5666, London, Wyman & Sons, pp. 267, 1s.)

The subject of industrial education has again been investigated and reported upon through a state inquiry in the *Report of the Michigan State Commission on Industrial and Agricultural Education* (Lansing, December, 1910, pp. 95).

The Vocation Bureau of Boston has issued two bulletins on *Vocations for Boston Boys* (6 Beacon Street, Boston, 1911, 10 cents each), dealing with *The Machinist* and *Banking*. The purpose of these pamphlets is to supply teachers with information for advising boys and parents in regard to business needs. The bulletins are based on visits to firms or shops, and have been scrutinized by at least three employers, an economist and an official of a labor union.

Library Bulletin No. 2, published by the New York School of Philanthropy (105 East 22d Street, New York, November, 1911, pp. 4) provides a list of references on *Vocational Guidance*. The entries refer to publications issued since 1908, and do not include titles indexed in the *Reader's Guide to Periodical Literature*.

Demography

In the *Fortieth Annual Report of Births, Marriages and Deaths in the Province of Ontario, 1909* (Toronto, 1911, pp. 48, cclxxi), the editor notes that the French and German settlers contribute more largely to the birth-rate than does any other class. In order to coun-

teract the increasing tendency toward small families, the grant of aid to needy mothers to provide for expenses at time of childbirth is recommended.

The *Fifty-Seventh Registration Report of Rhode Island* (Providence, 1911, pp. 296) shows a decrease in the absolute number of births in 1909, giving a rate of 24.3 per thousand as compared with 26 in 1908.

A decrease in the number of births is also shown for New Hampshire in the same year in the *Twenty-Second Registration Report* (Concord, pp. 354).

The address, *A Statistical Survey of Infant Mortality's Urgent Call for Action*, by Mr. Edward Bunnell Phelps, delivered at the First Annual Meeting of the American Association for Study and Prevention of Infant Mortality, has been issued as a reprint from the *Transactions* of the Association (141 Broadway, New York, 1911, pp. 27). Considerable space is given to methods of determining by approximation, in the absence of accounts returned, the rate of infant mortality in the United States.

Under date of July 1, 1911 the Bureau of the Census published a check list of publications of the tenth, eleventh and twelfth censuses and also of the permanent census bureau.

After considerable delay the Office du Travail of France has published the report on statistics of occupations, derived from the census of 1906, in a volume entitled *Résultats Statistiques du Recensement Général de la Population effectué le 4 mars 1906* (Vol. I, Pt. 2, 1911). A statistical increase in the number engaged in agriculture has been accomplished by classifying farmers' wives, hitherto returned as unoccupied, in the column of agricultural labor.